

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7915

BILL NUMBER: HB 1810

DATE PREPARED: Jan 31, 2001

BILL AMENDED: Jan 31, 2001

SUBJECT: Health Care Professional Recruitment and Retention.

FISCAL ANALYST: Kathy Norris

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FUNDS AFFECTED:

X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill changes the name of the Indiana Medical and Nursing Grant Fund to the Health Care Professional Recruitment and Retention Fund. The bill defines "financial sponsor". The bill also requires the State Department of Health to designate annually the counties, cities, towns, census tracts, and townships in Indiana that are underserved by specific types of health care professionals. It changes the Fund to provide loan repayment for student loans incurred by health care professionals and scholarships to health care professional students to encourage the full-time delivery of health care in underserved areas. The bill adds grants from public or private sources as resources included in the Fund. This bill modifies certain eligibility requirements that a health care professional must meet in order to be eligible for the repayment of student loans.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Indiana State Department of Health (ISDH) will be required to produce a report specifying by health profession the areas in the state, as defined by the bill, that are underserved or considered a shortage area. Currently, the ISDH creates an overall report with health professionals. There may be increased printing costs associated with this requirement as the size of the report could increase if areas are determined by each health profession.

The bill will effectively change the Indiana Medical and Nursing Grant Fund to the Health Care Professional Recruitment and Retention Fund. After June 30, 2001, any reference to the Indiana Medical and Nursing Grant Fund in any statute, rule, or ordinance shall be treated as a reference to the Indiana Health Care Professional Recruitment and Retention Fund. On July 1, 2001, any remaining funds in the Indiana Medical and Nursing Grant Fund shall be transferred to the Indiana Health Care Professional Recruitment and Retention Fund.

The bill allows three types of grants to be awarded. The first is loan repayment to a qualified health professions student, where the student holds an unlimited license to practice a health care profession in Indiana that has been declared by the Department to be eligible for loan repayment, and has worked in the required areas for the required time.

The second option is to receive a scholarship, where a health care professional student must do the following: apply to the ISDH, be enrolled at the time of application in a health professional degree or certificate program that has been approved by the ISDH for scholarship purposes, and meet additional requirements established by the ISDH, including planning to practice as a health care professional in an Indiana shortage area.

A third option is for an entity as defined by the bill to qualify as a financial sponsor if the entity will fund an amount of at least fifty percent (50%) of the initial ISDH scholarship or two thousand five hundred dollars (\$2,500), whichever is the lesser, for a student's postsecondary educational expenses. The qualified expenses include tuition, educational fees, educational materials, and living expenses. The entity must also agree to employ or find employment for the student on a full-time basis as a health care professional upon the student's successful completion of an academic, a licensure, or a certification program in the health care profession for which the student is sponsored.

Financial sponsorship may be satisfied in whole or in part by a grant, scholarship, or private foundation support if there is not a conflict with sources of state health care professional scholarship funds.

The FY 2001 appropriation to the existing Grant Fund was \$40,000. As of January 18, 2001, the ISHD reported a balance of \$125,220.39 with \$30,000 in outstanding grants to be paid. Four grants have been entered into by the ISHD within the current year.

The impact is indeterminable and would depend on the number of health professional students that either have a scholarship, qualify for repayment of student loans, or that have the proper experience related to service in a shortage area. The impact would also depend on the health professions deemed approved for fund eligibility by the ISHD.

Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures: See: *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: Indiana State Department of Health.

Local Agencies Affected: Fiscal bodies in shortage areas.

Information Sources: Marilyn Cage, Indiana State Department of Health, (317) 233-2170.